

Features of the new Membership Statements

Last month we told you that you and your employees can expect big changes in PERSI's Annual Member Statements. Now, we'll show you the new features. Inside, you'll find a sample statement to refer to.

Retirement Benefit

This box shows the formula used to calculate a retirement benefit. It uses the actual data we have on record for the member as of June 30, including their months of service and highest average monthly salary. It also uses the statutory multiplier that applies to the membership type (.02 for general members, .023 for police/firefighters). If a member has mixed general and police/fire service, both calculations will show.

The amount shown is the benefit that the member has earned thus far. If they quit as of the statement date, this is what their benefit would be as of their service retirement age (65 for general, 60 for police/fire).

Members who are not vested will not have a benefit amount calculated here. They will have a sentence telling them how many more months they need to be vested to a benefit.

Disability Benefit

This box shows the formula used to calculate a disability benefit. We regret, however, that this year, due to complications with converting to our new computer system, we are unable to use actual calculations here.

If a member does not have enough service to be eligible for disability

retirement benefit, they will have a sentence telling them how many more months they need.

Separation Benefit

This box shows the member's account balance for the previous year, contributions and interest added this year and their new balance. It also shows the total taxed and non-taxed contributions and their total interest. The total account amount equals the member's separation benefit amount as of June 30.

Death Benefit

This box shows the member's total contributions and interest (same total as the separation benefit amount). If the member is not vested, this amount is also the death benefit amount. If the member is vested, the amount is doubled for the death benefit.

This box also lists the member's beneficiaries including their share of the death benefit.

Credited Service and Average Monthly Salary

This box shows the member's previous months of service, the months earned during this year and their new total as of June 30. It also shows their average salary over their base period.

Accrued Benefits

This box shows the retirement benefits the member would receive at future dates assuming they quit work as of the statement date. It shows benefits at their earliest retirement date (age 55 general, 50 police/fire), Rule of 80/90 date and service retirement date.

Projected Benefits

This box shows projected retirement benefits assuming the member continues working to the dates shown. We've projected using salary increases of 0% and 3% per year to show how this changes benefit amounts.

Name, Address, Date of Birth, etc.

The member's name, Social Security Number, Employer Number and Address appear here. This year, your employer address is given instead of the member's home address. Next year, after we all start using the new reporting method, actual home addresses will appear here and the statements will be sent to homes. If we do not have an address, the statement will be sent to the employer.

Date of Birth - We know everyone wasn't born on the first! --

On past statements, the member's date of birth showed as month and year (month/year). On our new system, their date of birth includes the day (month/day/year). However, until your transmittals are converted to the new system, the date of birth will show as month/01/year. What members need to check is that the month and year are correct. The day of the month doesn't change any retirement calculations. Once you convert to the new transmittal system, it will update the member's date of birth to include the day of the month.

We will pass along this information to members, but we would appreciate it if you could do so as well to help us from receiving 56,000 phone calls from members saying their date of birth isn't the first of the month.

Warning: Separation benefit payments may void Gain Sharing

If you have employees who are considering terminating work and taking a separation benefit, you may wish to advise them that doing so **will void any rights they may otherwise have to certain Gain Sharing payments.**

If a member was active as of June 30 and had 12 months of service, they may be entitled to possible Gain Sharing payments the following January. However, if they terminate work and take a separation benefit between June 30 and the January payment, they forfeit their rights to any possible Gain Sharing payment. If they leave their funds in until after January, they may then withdraw their PERSI funds and their Gain Sharing payment (if any).

Beneficiary Designations for Re-hires

If you rehire someone, it is very important that the employee complete a new RS-115 Beneficiary Designation form or at least check the form to confirm that their beneficiary is correct.

We recently had this situation: Years ago a member named his father as beneficiary. The member later terminated work and was rehired in 1996. He did not fill out a new Beneficiary Designation form even though his father (his beneficiary) had passed away in 1993. When the member passed away in 2000 it was found that his beneficiary pre-deceased him by seven years.

It is especially important for a rehire to complete a new Beneficiary Designation form if they have not done so since 1996, when the forms were revised to clarify spousal community property rights.

Proposed legislation

PERSI will be submitting the following pieces of legislation for 2001:

Technical Corrections -- This is a collection of four minor corrections to existing law to:

- Clarify when Erroneous Employee Contributions may be refunded;
- Remove the statutory limit (less than \$20) for commutation of benefits, and replace it with Board authority to determine the limit by rule;
- Clarify the scope of In-Service Disability Retirement so that the "hired on or after July 1, 1993" limitation applies only to firefighters;
- Correct an erroneous statutory reference in Idaho Code 59-1396 from 72-1445 to 72-1444.

Waiver of Excess Cost for New Employers -- To give the Board the authority to waive excess cost payments when a new employer remains in PERSI for at least ten years.

Spousal Access to Information -- To allow PERSI the authority to release certain member account information to a spouse or ex-spouse.

Record retirees

September is always our busiest month for new retirees. This year we really broke all records with 477 retirees for the month. (A normal month has 100 retirees.) Thanks to a lot of overtime by our Benefits staff, every single new retiree can start enjoying the good life.

PERSI Retiree Payroll Facts:

- \$19,367,453 monthly payroll
- 22,891 retirees
- \$846 average monthly benefit
- 83% of retirees use direct deposit

Employer training continues

Reminder: PERSI is having employer training sessions on:

- Gain Sharing and the new PERSI Choice Plan
- Purchase of Service
- Changes to our payroll reporting system
- Upcoming member education

These sessions are for Administrators, Payroll and Personnel representatives only. Seating will be limited so please RSVP by e-mailing Bill Duncan, Training Associate, at bduncan@persi.state.id.us

Here are the remaining workshops:

10/26	Caldwell – Health & Welfare	1 - 4 pm
10/27	Boise – Holiday Inn	9 am - 12 pm
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11/6	Pocatello – Holiday Inn	9 am - 12 pm
11/6	Pocatello – Holiday Inn	1 - 4 pm
11/7	Idaho Falls – Shilo Inn	9 am - 12 pm
11/13	Boise – Holiday Inn	9 am - 12 pm
11/13	Boise – Holiday Inn	1 - 4 pm
11/20	Idaho Falls – Shilo Inn	1 - 4 pm
11/21	Pocatello – Holiday Inn	9 am - 12 pm